NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH (Incorporated) (The)
(A company limited by guarantee)

Report and financial statements
Registered number: 341010
Charity number: 306083
31 March 2013

Contents

Reference and administrative information

Chief Executive
J Portes+
Company Secretary
G S Clisham+

Registered Office & Principal Place of Business
2 Dean Trench Street, Smith Square, London, SW1P 3HE

Registered Number: 341010 **Charity Number:** 306083

Auditors
BDO (UK) LLP, 55 Baker Street, London W1U 7EU

Bankers
Bank of Scotland, 600 Gorgie Road, Edinburgh, EH11 3XP
Lloyds TSB Plc, 4 Dean Stanley Street, Millbank, London, SW1P 3HU

Solicitors
Pannone & Partners, 123 Deansgate, Manchester, M3 2BU

Trustees' report

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2013. The trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" as revised in 2005 (SORP 2005) in preparing the annual report and financial statements of the charity, as well as complying with current statutory requirements and the Memorandum and Articles of Association.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

- The organisation is a charitable company limited by guarantee and was founded on 2 June 1938. It is governed by a memorandum and articles of association which have been in place since incorporation.

- The Board of Trustees consists of senior representatives from policy-making, business and academia. This enables the trustees to be effective in providing advice and guidance to the Institute's management. Applications for trusteeship are by recommendation from the Chairman of the Trustees. New Trustees can be elected only at the charity's Annual General Meeting and co-opted at other times subject to election at the next AGM. Prior to election, trustees are made aware of their obligations in relation to the Charity in line with the Memorandum and Articles of Association. Trustees are provided with information on the research activities of the Charity on a quarterly basis and are given the opportunity to attend annual presentations by the research team leaders. This gives them the opportunity to discuss the present research portfolio directly with staff. The number of Trustees must not be fewer than seven or greater than twenty-five. The Trustees meet four times a year.

- Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees at 31 March 2013 was 13.

- The overall management of the Charity is carried out by its Chief Executive who reports to the board of Trustees (the "board") on a quarterly basis. He is particularly responsible for managing the research portfolio and acts as the figurehead of the organisation. The Secretary of the Institute runs the administration of the organisation and also reports to the Trustees.

- Following approval at the AGM in November 2012, a Steering Group of Trustees was established. This group deals with detailed issues relating to NIESR's business. It sits four times a year prior to the full Trustee meetings and reports to the Trustees. The Steering Group consists of the Chairman, President, Nicholas Barber, Charles Bean, Bronwyn Curtis, the Director, Secretary and staff representative (currently Simon Kirby).

- The Institute has several sub committees. The Investment Committee is made up of Trustees who are appointed for their particularly high level of expertise and experience and is chaired by the Chairman of the Institute. The Audit Committee is made up of Trustees with appropriate experience and is chaired by John Ermisch. Both committees operate under specific terms of reference which delegate certain functions from the Trustees. A Remuneration Committee consisting of the Director, Secretary and two trustees – Charles Bean and John Hills - has been established to consider the pay of senior staff. Each committee has its decisions ratified by the board.

- An Ethics Committee exists which has the responsibility to consider ethical issues in relation to grant applications. This reports to the Trustees and comprises Trustees Nicholas Barber and Professor Heather Joshi. Professor Joshi is considered an expert in this sphere due to her extensive academic experience. It meets on an ad hoc basis when the need arises.

2. RISK REVIEW

The Trustees actively review the operational and business risks which the charity faces. These cover both short and long term risk and in particular concern personnel, financial, computing and management risk. The trustees confirm that they are satisfied that strategies, systems and controls are in place to, as far as possible, mitigate any significant risk.

The main short-term risk that the Institute faces is the current challenging funding environment with UK government austerity measures affecting the procurement of external research services. The Institute is trying to mitigate this by seeking funding from alternative sources but it remains to be seen as to whether this will be able to completely cover any shortfall in available funding from the UK government. This will possibly become clearer during the coming months and is something which is being monitored carefully by the Trustees.

NIESR also faces risks due to its reliance on the recruitment and retention of its highly specialised research staff with only a small pool of people outside the Institute who have the necessary skills and expertise. The concern arises mainly over senior staff. The main long-term risk is that of gradual contraction through a failure either to recruit enough established researchers or a failure to develop our own researchers fast enough to make up for staff turnover. It should be noted that recruitment at a senior level is, itself, risky but something which can be mitigated by buying in time from visiting academics in the expectation that they will raise grants and run projects.

In addition, there is a business risk that the Institute does not attract appropriate projects and funding. The Trustees consider that this is in large part a function of the staff employed and is managed accordingly. The resources available to public bodies and charities which commission research are evidently also relevant.

The Institute has proper procedures in place to ensure that our accounting arrangements have been set up in a way to minimise the risk of fraud with robust systems set up for authorisation. There are also a number of personnel who have adequate knowledge of the accounting systems to ensure that transparency of activity is achieved whilst protecting confidentiality.

3. PUBLIC BENEFIT

The National Institute of Economic and Social Research's primary purpose is to carry out economic and social research which is of high academic standard. Much of this research is relevant to policy and as such it has a significant influence on public debate. It is not always possible to gauge how much this research does affect future policy as assessment and possible implementation of policies based on NIESR's original research may take some time to materialise. However, members of NIESR's staff are invited to give evidence to parliamentary select committees and our research is cited in parliamentary debates.

NIESR regularly appears in the written and broadcast media giving expert opinion on issues of public interest. Members of NIESR's staff write articles for newspapers as well as commenting on current issues.

NIESR realises the importance of disseminating its research to as wide an audience as possible. With this in mind, it holds regular seminars, the vast majority of which are free of charge. Many of these are suitable for a non-specialist audience such as the Westminster Economics Forum which is designed for policymaking and business and funded by the ESRC.

The Institute provides free copies of all its published research reports and discussion papers via its website at www.niesr.ac.uk. It also provides indicators on the state of the economy which are free to download. The website also contains videos of seminars and press conferences which are open access.

The Institute has a global econometric model which is licenced annually to many European Central Banks and international organisations such as the IMF. The model's use within these organisations helps to widen the influence of NIESR's research and allows our expertise to influence policy decisions not only in the UK but worldwide. The model is licenced to subscribers to cover the costs of the research staff needed to develop this model and not to generate a profit for the organisation.

During 2011 NIESR received a legacy of £10,000 from a former Secretary, Mrs Kit Jones. This will be used to provide an annual paid work placement for a sixth form student from the London Borough of Barking and Dagenham. The staff of NIESR felt that this was a worthwhile use of the funds and in line with the organisation's charitable aims and accordingly it is being treated as a Designated fund in the attached accounts.

In its role as an educational charity NIESR strives to disseminate all its research as widely as possible and to undertake research which ultimately resides in the public domain. It publishes widely in all media and ensures that its staff are available for expert comment when appropriate. Research funding obtained enables NIESR staff to improve knowledge of issues which are of importance to both the UK and worldwide economy, with the ultimate aim to improve social and economic welfare. This was the purpose of the Institute's foundation in 1938 and remains central to its ethos today.

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard of the Charity Commission's general guidance on public benefit.

4. OBJECTIVES AND ACTIVITIES

In more detail, the objectives of the National Institute of Economic and Social Research are:

- To carry out high-quality economic and social research which is of good academic standing and likely also to be relevant to the needs of policy-makers.
- To intervene in relevant policy debates in appropriate ways.
- To contribute to the economic and social research infrastructure.
- To provide a framework in which National Institute research staff can develop their careers and reputations.

In order to carry out these objectives the National Institute aims to:

- Maintain a cadre of research staff with appropriate mixes of experience and expertise.
- Encourage research staff to participate actively in dissemination of research to media and directly to users and potential sponsors of research.
- Support as far as possible staff involvement in public service activities such as refereeing for journals and public bodies nationally and internationally and contributing to activities of Government in an expert capacity.
- Advise and encourage staff in i) writing up work for publication, ii) developing research proposals and iii) promoting research and research capability to users and sponsors of research.
- Seek funding from all appropriate sources to provide the means needed for the Institute to carry out research.
- Maintain the scale of the Institute's operations large enough to allow its fixed costs to be spread in a way which is manageable.
- Provide efficient financial and administrative management to allow research staff to carry out their activities.

These objectives are pursued through three main channels:

- A wide variety of research projects on topics of contemporary interest both to policy makers and academic audiences are pursued and disseminated through seminars and publications. This work is commissioned and funded by the European Commission, Government departments, the Economic and Social Research council and certain foundations.
- The Institute has developed an econometric model (NIGEM) which contributes to our understanding of the working of the economy and thus to the economic and social infrastructure and also provides revenue to support the organisation's charitable objectives. User licences are sold to a variety of organisations including central banks, private sector financial organisations, UK Treasury and the Bank of England.
- NIESR's subsidiary company – NIESR Services Ltd – generates income through the publication of the National Institute Economic Review which enjoys a high reputation and has a worldwide subscription base. New opportunities for wider circulation and visibility are currently being sought in conjunction with the publisher. This includes a greater use of social media and pay per view options.

  NIESR Services Ltd also acts as the vehicle for the sale of a primary school maths system jointly developed with the London Borough of Barking and Dagenham. This is now of less significance in terms of income generation than in previous years and is being run down. Sales of the materials have tailed off considerably and the scheme seems to have run its course. This is an expected outcome for a learning scheme after a period of time, as trends in teaching evolve.

The Trustees intend to continue following the above strategy whilst reviewing other options to spread further the knowledge acquired.

5. FINANCIAL REVIEW

- **Financial Review**

  The Statement of Financial Activities for the year (page 10) shows a shortfall in incoming resources before other recognised gains of £375,487 (2012 – shortfall of £86,742) arising from gross income of £2,760,798 on the unrestricted fund (2012 - £2,888,174).

  The recent income for the Institute can be summarised as follows:

	2008-09	2009-10	2010-11	2011-12	2012-13
Income:-	£	£	£	£	£
-Donations	44,000	41,000	29,000	46,000	29,000
-Publications	195,846	203,093	152,116	160,624	147,769
-Econometric model fees	422,451		348,240	411,550	405,733
-Misc income	56,408	55,128	49,875	17,424	70,772
-Fees for research work	1,792,584	1,990,606	2,180,779	2,205,987	2,114,723
Investment Income:	145,275	116,902	128,272	111,589	116,729
	2,656,564	2,406,729	2,888,282	2,953,174	2,884,726

  Total expenditure, which fluctuates in line with research funding, increased by £220,297 to £3,260,213 during the year. As shown by the Accounts, the main costs of the Charity are staff costs required to deliver projects and maintain the econometric model.

  The Institute's aim is to balance income and expenditure in the long run, with the inevitable implication that small surpluses and deficits can arise from one year to the next. However, the Institute is going through a period of transition with changes in senior staff which has affected the results in the short term. Secondly, the Institute has been affected by changes in Government policy in commissioning new projects. Lastly, the head count of researchers has increased as the Institute seeks to increase its coverage and core skills. Accordingly, the Trustees consider that the shortfall of £375,487 for the year will be improved on during the next financial period.

  The balance sheet shows a decrease in unrestricted funds of approximately 3 per cent. There are no restricted funds.

- **Investment policy**

  The Trustees have the power to invest in such assets as they see fit. The charity seeks to maximise its total return from investments. During the year, the Institute has sold investments for proceeds of £698,621 and accordingly the sums shown in the balance sheet have decreased by some £316,374 (2012 – decrease £373,999).

- **Policy on holding reserves**

  The Institute employs academic staff on a long-term (indefinite) basis and must do so to attract good research workers. The income that they earn, on the other hand, comes primarily from grants for research work which are short-term, and whose future generation is uncertain. Hence the Institute must have financial reserves to insure against temporary dips in research income, and to ensure continuity in the conduct of its activities. This is particularly relevant in the current research funding environment when levels of commissioning from government departments remain unclear.

  Moreover, these financial reserves provide income. The Institute has to make its bids for research projects competitive, and the availability of such investment income enables it to pitch its bids for research projects at a level that has enabled it to continue to generate sufficient core research income to break even overall on average.

Taking all these matters into account the trustees consider that the present level of unrestricted reserves (£4,346,740 as at 31 March 2013) is adequate. Based on the balance sheet a breakdown to reflect the objectives set out above would be:

	£
Fixed assets and investments, held on a long term basis principally to generate income for the charity	3,044,181
Free reserves, representing a buffer to meet operating costs	1,302,559
Total reserves	4,346,740

6. ACHIEVEMENTS & PERFORMANCE

The Institute has maintained its main objectives by continuing to provide high quality research and timely as well as authoritative contributions to the debates of the day. The table below shows the levels of publications and media activity in appearances in broadcast media during the year compared with prior periods.

	2008-09	2009-10	2010-11	2011-12	2012-13
Research reports, articles, chapters in books	163	179	119	95	76
Conference and seminar presentations	27	93	69	56	53
Appearances on broadcast media	66	124	279	238	237

In addition NIESR staff appeared at Parliamentary Select Committees; as in previous years there have been numerous references to the Institute and its work in the press. The media coverage is a function of projects underway or completed in the year – some of which may have been commissioned some time ago. The number of publications has been slightly lower in the past year due to the type of projects being undertaken and the dissemination activities which have resulted from the research. This is also affected by the research staff in post and their priorities in terms of type of publication. The broadcast media appearances reflect the Institute's comments on the key issues of the day. In addition to the above publicity, there has been a significant presence on social media.

NIESR Services Limited

The charity's wholly-owned trading subsidiary carries out non-charitable trading activities for the charity and transfers all its taxable profits to the charity by a deed of covenant. The principal activities of the company are receiving royalties from the *National Institute Economic Review* and other publications, organising conferences and seminars and the publication and distribution of the Improving Primary Mathematics scheme, though as stated earlier, this scheme is running down.

To support the work of the Institute, the Review continues to command a wide international readership and generates a considerable amount of comment from both the written and broadcast media.

7. PLANS FOR THE FUTURE

The Institute aims to continue to carry out high quality economic and social research of relevance to policy makers and the business community at a scale comparable to previous years. It aims to do this through revenue generation from grant making bodies such as government departments, research councils and charitable foundations. The Institute's management team sees careful financial planning as an essential component of sustainability and therefore has systems in place to project funding for up to two years in advance. Members of staff are therefore aware of any gaps which they need to address and seek funding accordingly.

The Institute has a management report which is reviewed in detail by Trustees every year. This indicates possible areas of development and expansion and outlines the strategy to be used in achieving these goals including

- NIESR is aware that the wide dissemination of its research is key to its aims and objectives. With this in mind work continues on expanding the portfolio of web-based products which are targeted at a variety of audiences. Improved marketing and dissemination of NIESR's Review is being developed including greater use of social media.

- Continuing work to update and provide access to the NIGEM economic model with the aim of attracting further high quality users.

- The Institute continues to develop its social policy research area. It is hoped that this will include research such as evaluations of high profile government schemes. This will enable the organisation to strengthen its presence and influence in the UK policy debate.

- NIESR is beginning to feel the effects of a contraction in government funding. It is therefore seeking alternative sources of funding to retain a wide portfolio of projects and funders in an aim to mitigate any risk to the organisation. This has already started to produce results with funding being awarded by organisations such as the Barrow Cadbury Trust and the Gatsby Foundation.

8. PEOPLE

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. A staff member attends the Council meetings as an observer.

The charity has implemented policies in relation to personnel matters including an Equal Opportunities policy and a Health & Safety policy. In accordance with the charity's equal opportunities policy, the charity has long established fair employment practices in the recruitment, selection, retention and training of staff.

9. AUDITORS

A resolution to re-appoint BDO (UK) LLP as auditors of the charity will be put to the Annual General Meeting.

10. STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418(2) of the Companies Act 2006) of which the company's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board
TJ Besley
Chairman

19/09/2013

TJ Besley

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the trustees to prepare financial statements for the group and parent charity for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charity and of the incoming resources and application of resources, including its income and expenditure, of the group for the year. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder and with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH

We have audited the financial statements of the National Institute for Economic and Social Research for the year ended which comprise the Consolidated Statement of Financial Activities, of the Group and Parent Charitable Company Balance Sheets, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2013, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

K Thompson

Karen Thompson, Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom
Date: 3 October 2013

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Consolidated Statement of Financial Activities
(Incorporating an income and expenditure account)

	Note	2013 £ Unrestricted	2013 £ Restricted	2013 £ Total	2012 £ Unrestricted	2012 £ Restricted	2012 £ Total
Incoming resources							
Incoming resources from generated funds							
Voluntary income:-							
-Donations		**29,000**		**29,000**	46,000		46,000
Activities to generate funds:-							
-Publications		**147,769**		**147,769**	160,624		160,624
-Misc income		**70,772**		**70,772**	17,424		17,424
Investment Income:-							
-Income from investments		**116,289**		**116,289**	111,050		111,050
-Other interest receivable		**440**		**440**	539		539
Incoming resources from charitable activities							
-Econometric model fees		**405,733**		**405,733**	411,550		411,550
-Fees for research work	2	**1,990,795**	**123,928**	**2,114,723**	2,140,987	65,000	2,205,987
Total incoming resources		**2,760,798**	**123,928**	**2,884,726**	2,888,174	65,000	2,953,174
Resources expended							
Costs of Generating Funds							
-Fund raising trading – publications		**119,882**		**119,882**	119,578		119,578
Charitable activities	3	**2,955,741**	**123,928**	**3,079,669**	2,785,933	65,000	2,850,933
Governance costs	5	**60,662**		**60,662**	69,405		69,405
Total resources expended		**3,136,285**	**123,928**	**3,260,213**	2,974,916	65,000	3,039,916
Net incoming resources before other recognised gains		**(375,487)**	**-**	**(375,487)**	(86,742)	-	(86,742)
Other recognised gains / (losses)							
Realised losses	8	**(11,386)**		**(11,386)**	131		131
Unrealised gains / (losses)	10	**248,294**		**248,294**	(64,962)		(64,962)
Net movements in funds		**(138,579)**	**-**	**(138,579)**	(151,573)	-	(151,573)
Balance brought forward at 1 April 2012		**4,485,319**	**-**	**4,485,319**	4,636,892	-	4,636,892
Balance carried forward at 31 March 2013	15	**4,346,740**	**-**	**4,346,740**	4,485,319	-	4,485,319

The surplus for the year for Companies Act purposes comprises net incoming resources for the year less realised losses and was a loss of £386,872 (2012 deficit £86,611).

The individual company Statement of Financial Activities (SOFA) has not been prepared but can be determined by deducting the subsidiary company's results as detailed in note 17 from the consolidated statement above. The Charity's incoming resources amounted to £2,816,595 (2012 - £2,885,525) and a deficit of £138,579 (2012 deficit - £266,458).

All incoming resources and resources expended derive from continuing activities.

Consolidated and Charity Balance Sheet at 31 March 2013

	Note	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Fixed assets					
Tangible assets	9	**217,079**	210,773	**217,079**	210,773
Investments	10,16	**2,827,102**	3,143,476	**2,827,104**	3,143,478
		3,044,181	3,354,249	**3,044,183**	3,354,251
Current assets					
Stocks	11	**8,191**	8,542	-	-
Debtors – owed by subsidiary undertaking		-	-	80,839	52,222
Debtors – trade and other debtors	12	**1,713,060**	1,450,101	**1,676,338**	1,417,424
Cash at bank and in hand	13	**505,633**	261,051	**370,400**	184,070
		2,226,884	1,719,694	**2,127,577**	1,653,716
Creditors: amounts falling due within one year	14	(924,325)	(588,624)	**(825,020)**	(522,648)
Net current assets		**1,302,559**	1,131,070	**1,302,557**	1,131,068
Total assets less current liabilities		**4,346,740**	4,485,319	**4,346,740**	4,485,319
Net assets		**4,346,740**	4,485,319	**4,346,740**	4,485,319
Unrestricted funds	15	**4,346,740**	4,485,319	**4,346,740**	4,485,319
Restricted Funds					
Total funds		**4,346,740**	**4,485,319**	**4,346,740**	**4,485,319**

These financial statements were approved and authorised for issue by the Board of Directors on 19/09/13.

These accounts should be read in conjunction with the notes set out on pages 12 to 19.

....
TJ Besley
Chairman

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with Statement of Recommended Practice, "Accounting and Reporting by Charities" as revised in 2005 (SORP 2005) and the Companies Act 2006.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of Section 474(2)of the Companies Act 2006 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Fund accounting

Activity is separated into Unrestricted Contracts or Restricted Contracts depending on the nature and wording of the underlying commissioning contract. The unrestricted funds and are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Restricted funds have to be applied according to the instructions of the contract. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes and transferred from the General Reserve.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

During the year grants are received which are required to be applied to specific research projects. Amongst these are projects which contain a requirement that any unused funds are repayable to the donor. Grants are accounted for on the basis of delivery of research projects and only those amounts expendable and receivable on an accruals basis have been taken into the accounts as resources expended and income. Amounts received in respect of projects where project delivery has not been completed are held in deferred income.

Interest and model licence fees are recognised over the periods to which they relate. Sales of publications are recorded when due. Donations and dividend income are recorded when received.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Governance costs are those incurred in connection with the strategic as opposed to the day to day management of the charity's activities and include costs of external audit, legal advice for trustees, cost of trustee meetings and preparing statutory accounts. Premises costs are those costs incurred in the maintenance of the premises excluding the costs of any repairs, which are identified as a separate cost. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of the resources. Staff costs are allocated based on activities including between charitable activities and the cost of generating funds - publications. Overheads are apportioned based on staff time. Support costs have been applied on a directly attributable basis where possible and the residue on an income basis.

Irrecoverable VAT is charged against the category of resources for which it was incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,500 are capitalised and included at cost including any incidental expenses of acquisition. Items under £1,500 are expensed.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold land	-	nil
Freehold buildings	-	nil
Improvement to freehold buildings	-	over 10 years
Office equipment	-	over 3 years
Computer equipment	-	over 3 years
Website Development	-	over 4 years

No depreciation is charged on freehold buildings on the grounds that it would be immaterial.

Each year the Trustees review the property for indications of impairment.

Investments
Listed investments are stated at market value at the balance sheet date. Unlisted investments are stated at cost. The SOFA includes the realised and unrealised net gains and losses arising on disposals and revaluations throughout the year.

All long term cash investments have been classified as long term investments on the balance sheet.

Stock
Stock consists solely of workbooks and manuals for sale to schools by NIESR Services Ltd. Stocks are valued at the lower of cost and net realisable value.

Pension costs
The Charity participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. For more detail see Note 18.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date and any gains and losses arising are charged to Finance Costs within Support costs.

Capital Commitment
NIESR did not have any capital commitments at 31 March 2013.

2 Fees for Research work

	2013			2012		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
From European Commission institutions	188,543	-	188,543	622,407	-	622,407
From Economic and Social Research Council	362,568	-	362,568	136,430	-	136,430
From Government Departments	526,519	-	526,519	575,811	-	575,811
From Trusts and Foundations	324,931	108,195	433,126	175,080	-	175,080
From other sources	696,429	15,733	712,162	631,259	65,000	696,259
	2,098,990	123,928	2,222,918	2,140,987	65,000	2,205,987

All research income relates to the Charity.

3 Research including library expenditures

	2013 Unrestricted	2013 Restricted	2013 Total	2012 Unrestricted	2012 Restricted	2012 Total
Staff costs	2,056,723	80,364	2,137,087	2,022,072	29,087	2,051,159
Honoraria and fees including pass through money for European commission projects	366,294	-	366,294	99,053	-	99,053
Travel and subsistence	31,100	-	31,100	29,868	-	29,868
Books and journals	31,504	-	31,504	54,581	-	54,581
Research materials	2,938	5,546	8,484	78,616	21,370	99,986
Sundry expenses	50,586	-	50,586	26,081	-	26,081
Support costs	418,984	38,018	457,002	475,662	14,543	490,205
	2,958,129	123,928	3,082,057	2,785,933	65,000	2,850,933

4 Remuneration of Directors & Trustees

	2013 Unrestricted	2013 Restricted	2013 Total	2012 Unrestricted	2012 Restricted	2012 Total
Director's emoluments	108,150		108,150	105,577		105,577
Pension contributions	17,304		17,304	16,926		16,926
	125,454	-	125,454	122,503	-	122,503

	Number of directors 2013	2012
Retirement benefits are accruing to the following number of directors under:		
- Defined benefit schemes	1	1

The Chief Executive has a rolling one year contract commencing 1 February 2011.
No trustee claimed expenses (2012- nil) during the year.
As allowed by the Articles of Association a director who is a trustee is entitled to remuneration and expenses.

5 Governance Costs

	2013	2012
	£	£
Support costs	5,779	10,532
Auditors' remuneration – audit services	10,600	13,682
Accountancy costs	40,745	34,320
Other professional services	3,258	10,871
	60,382	69,405

6 Support Costs

	2013	2012
	£	£
Staff costs	273,556	281,384
Premises costs	75,153	121,287
Computing costs	31,927	43,060
Postage	701	3,258
Publicity costs	10,437	12,151
Depreciation	22,500	12,684
Provision for bad debts and finance costs	35,038	8,478
Sundry expenses	57,102	59,201
Restricted Funds Support Costs	(38,018)	-
	468,396	541,503

Support costs have been applied on a directly attributable basis, where possible, and the residue on an income basis, as follows:

	2013	2012
Publications	43,623	40,766
Research activities	418,984	490,205
Governance	5,789	10,532
	468,396	541,503

7 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2013	2012
Research	31	28
Library	2	2
Publications	2	2
Administration and general	6	6
	41	38
Full time equivalent staff in year	38	32

In addition four researchers were used on a subcontract basis to assist in Institute research but are not employed by the Institute. The aggregate payroll costs of the employees were as follows:

	2013 £	2012 £
Wages and salaries	1,934,351	1,819,376
Social security costs	188,284	187,437
Other pension costs	288,008	294,777
	2,410,643	2,301,590

	2013	2012
Staff earning £60,000 - £70,000	2	6
Staff earning £70,000 - £80,000	5	4
Staff earning £80,000 - £90,000	3	2
Staff earning £90,000 - £100,000	1	1
Staff earning £100,000 - £110,000	1	1
Staff earning £110,000 - £120,000	-	-

Retirement benefits are accruing to all these individuals under Defined Benefit Schemes.

8 Loss on realisation of assets

	2013 £	2012 £
(Loss) / Gain on sale of fixed assets	-	-
(loss) / Gain on disposal of investments	(11,386)	131
	(11,386)	131

9 Tangible fixed assets - Group and Charity

	Freehold property	Improvements to Freehold Property	Computers and office machinery	Website	Total
Cost	£		£	£	£
At 1 April 2012	167,380	106,567	86,726	-	360,673
Additions	-	-	7,633	21,173	28,806
Disposals	-		(51,313)	-	(51,313)
At 31 March 2013	167,380	106,567	43,046	21,173	338,166
Depreciation					
At 1 April 2012	49,000	31,613	69,287	-	149,900
Charge for year	-	10,657	8,762	3,081	22,500
On disposals	-	-	(51,313)	-	(51,313)
At 31 March 2013	49,000	42,270	26,736	3,081	121,087
Net book value					
At 31 March 2013	**118,380**	**64,297**	**16,310**	**18,092**	**217,079**
At 31 March 2012	118,380	74,954	17,439	-	210,773

The Trustees consider that the value of the Freehold Property is significantly in excess of its book value. However, as they have no intention of realising it at present, no formal valuation has been undertaken.

10 Investments

	2013 Cost	2013 Balance sheet value	2012 Cost	2012 Balance sheet value
Fixed asset investments: Stocks	£	£	£	£
Listed on:				
London stock exchange	2,392,035	2,576,024	3,107,991	3,029,282
Elsewhere	87,364	91,025	87,364	93,665
	2,479,399	2,667,049	3,195,355	3,122,947

An analysis of investments forming greater than 5 per cent of the total is given in note 16.

Investments (Continued)	2013 Cost	2013 Balance sheet value	2012 Cost	2012 Balance sheet value
	£	£	£	£
Stock investments	2,479,399	2,667,049	3,195,355	3,122,947
Cash held by brokers and Cash bonds	160,053	160,053	20,529	20,529
Total Fixed Asset Investments	2,639,452	2,827,102	3,215,884	3,143,476

Balance sheet values - Charity	2013 Cost	2013 Balance sheet value	2012 Cost	2012 Balance sheet value
Fixed asset investments:	£	£	£	£
Listed on:				
London stock exchange	2,392,035	2,576,024	3,107,991	3,029,282
Elsewhere	87,364	91,025	87,364	93,665
Unlisted (note 17)	2	2	2	2
	2,479,401	2,667,051	3,195,357	3,122,949
Cash held by brokers and Cash bonds	160,053	160,053	20,529	20,529
Total investments	2,639,454	2,827,104	3,215,886	3,143,478

Income from Investments:-	2013	2012
Listed on:		
- London stock exchange	116,289	111,050
- Bank and Other Interest	440	539
	116,729	111,589

Investment movements:- Group	2013 £ Cost	2013 £ Balance sheet value	2012 £ Cost	2012 £ Balance sheet value
At beginning of year	3,195,355	3,122,947	3,295,360	3,297,908
(Disposals)/Additions	(715,956)		(100,005)	
Disposal Proceeds	-	(698,621)	-	(100,136)
Gain / (Loss) on Disposal	-	(11,385)	-	131
Change in Accrued Income	-	5,815	-	(9,994)
Net gain / (loss) on revaluation	-	248,294	-	(64,962)
At end of year	2,479,399	2,667,050	3,195,355	3,122,947

11 Stock - group

Stock amounting to £8,191 (2012: £8,542) is included in these figures which relates entirely to stock owned by the subsidiary undertaking.

12 Debtors	Group 2013	Group 2012	Charity 2013	Charity 2012
	£	£	£	£
Trade debtors	554,735	576,117	535,149	552,088
Grants	867,160	800,840	867,160	800,840
Other debtors	291,165	73,144	274,029	64,496
	1,713,060	1,450,101	1,676,338	1,417,424

13 Analysis of balances of cash as shown in the balance sheet – group	2013	2012
	£	£
Cash in hand, at bank	505,633	261,051
Cash held by brokers - shown in investments	160,053	20,529
	665,686	281,580

14 Creditors amounts falling due within one year	Group 2013	Group 2012	Charity 2013	Charity 2012
	£	£	£	£
Trade creditors	91,485	54,709	90,309	54,111

Accruals	**206,468**	193,585	**158,415**	146,009
Costs accrued for project partners	**28,397**	31,010	**28,397**	31,010
Other taxation and social security	**179,747**	126,862	**177,584**	124,297
Deferred income	**418,228**	182,458	**370,315**	167,221
	924,325	588,624	**825,020**	522,648

15 Reconciliation of movement in unrestricted funds

	Group And Charity Funds - 2012 £	Incoming / (Outgoing) resources £	Transfer £	Group and Charity Funds 2013 £
General reserves	4,528,994	(375,487)	(11,386)	4,142,121
Work Experiecne support fund (designated)	10,000			10,000
Loss on sale of investment		(11,386)	11,386	-
Unrealised gains / (losses) on revaluation of assets	(53,675)	248,294		194,619
	4,485,319	**(138,579)**	-	**4,346,740**

All funds taken to the reserves at the year end are unrestricted and are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.

The General reserves represent the free funds of the Charity which are not designated for particular purposes.

The unrealised gains on revaluation of assets are represented by investments.

16 Analysis of investments – Group and Charity

The following individual investments form greater than 5 per cent of the investment portfolio:

Name of investment	**2013** £	**2012** £
Legal and General European Index Trust	**347,298**	405,369
Legal and General US Index Trust	**280,973**	337,236
Charities Property Fund	**237,386**	292,771
Barclays Global Investors Charitrak Trust	**1,013,940**	1,223,737
Rensburg Sheppard Ishares GBP Corporate Bonds	**442,578**	550,845
	2,322,175	2,809,958

17 Subsidiary Company

The Institute owns the whole of the issued ordinary share capital of NIESR Services Limited., a company registered in England. The subsidiary is used for receiving income from royalties, the sale of books and other trading activities. All activities have been consolidated on a line by line basis in the Statement of Financial Activities. The total net profit is covenanted to the Institute. The company has no direct staff costs and receives no management charge from the Institute. A summary of the results of the subsidiary is shown below. Sales and Royalties income have been included in Publications income in the Group Statement of Financial Activities and the associated costs included in Costs of generating funds – Publications.

	2013 £	**2012** £
Turnover		
Royalties	**142,842**	145,770
Sales	**4,927**	14,854
Other	**-**	1,880
	147,769	162,504
Cost of Sales	**(63,688)**	(67,206)
Gross Profit	**84,081**	95,298
Distribution and admninstrative expenses	**(4,516)**	(517)
	79,565	94,781
Interest receivable	**71**	74
Net Profit	**79,636**	94,855
Gift Aid Payable	**(79,636)**	(94,855)
Transfer to general reserves	**-**	-

The aggregate of the assets, liabilities and funds was:		
Assets	**164,265**	118,199
Liabilities	**(164,263)**	(118,197)
	2	2

18 Provisions for Liabilities – Pensions

18.1 **Universities Superannuation Scheme:** Universities Superannuation Scheme: The charity participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2013 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (ie the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

Standard mortality tables were used as follows:

Male members' mortality	S1NA ["light"] YoB tables – No age rating
Female members' mortality	S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65 23.7 (25.6) years

Males (females) currently aged 45 25.5 (27.6) years

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of Salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the valuation effective date there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

New Entrants

Other than in specific, limited circumstances, new entrants are now provided benefits on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

Normal pension age

The Normal pension age was increased for future service and new entrants, to age 65.

Flexible Retirement

Flexible retirement options were introduced.

Member contributions increased

Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

Cost sharing

If the total contribution level exceeds 23.5% of Salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

Pension increase cap

For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

The actuary has estimated that the funding level as at 31 March 2013 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2013 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.2% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2013 was 68%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 55%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial actuarial valuation are set out below:

Assumption	Change in assumption	Impact on shortfall
Investment return	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 billion

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The trustees believe that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set by the trustee are designed to give the fund a significant exposure to equities through portfolios that are diversified both geographically and by sector. The trustee recognises that, putting the issue of the USS fund's size and scale

to one side for a moment, it might be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the sponsoring employers would be willing and able to make, it is necessary and appropriate for the trustee to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding what degree of investment risk to take relative to the liabilities, the trustee receives advice from its internal investment team, its investment consultant and the scheme actuary, and importantly considers the ability of the sponsoring employers to support the scheme if the investment strategy does not deliver the expected returns. The positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities, and the scheme actuary has confirmed that this is likely to remain the position for the next ten years or more. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and most critically the ability of the employers to provide additional support to the scheme should additional contributions be required, enables it to take a longer-term view of its investments. Some short-term volatility in returns can be tolerated and need not feed through immediately to the contribution rate. However, the trustee is mindful of the difficult economic climate which exists for defined benefit pension schemes currently, and the need to be clear about the responses that are available should the deficits persist and a revised recovery plan becomes necessary following the next actuarial valuation of the scheme as at March 2014. The trustee is making preparations ahead of the next valuation to compile a formal financial management plan, which will bring together – in an integrated form – the various funding strands of covenant strength, investment strategy and funding assumptions, in line with the latest guidance from the Pensions Regulator.

At 31 March 2013, USS had over 148,000 active members and the charity had 27 active members participating in the scheme.

The total pension cost for the charity was 224,943 (2012: £214,372). The contribution rate payable by the charity was 16% of pensionable salaries.

18.1. ***NIESR Retirements Benefits Plan:*** This scheme is a closed scheme to new employees and is a plan managed by The Scottish Provident Institution. Policies are held by the individual under this plan. There are no longer any active members of the plan who are employees of the Institute. The contribution rate payable by the Institute was 16% of pensionable salaries. This is levied as an annual premium. The total NIESR Retirements Benefit plan cost for the Institute was £nil (2012: £13,119).

18.2. ***Other Personal Pension Plans***: Contributions are calculated on pensionable salary and are payable to Personal Pension Plans entered into by employees who have opted for that choice. Sums paid into these schemes amounted to £65,801 (2012: £67,286).

18.3. ***Former Scheme***: An amount of £7,737 (2012: £11,606) is held to meet the contractual obligations, based on a prudent appraisal by the trustees. A total of £3,869 was paid out in the year.